GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA

STARRED QUESTION NO:516
ANSWERED ON:10.05.2007
CREATION OF EMPLOYMENT OPPORTUNITIES
Kharventhan Shri Salarapatty Kuppusamy

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether the food processing sector is not generating adequate revenue and creating employment opportunities;

(b) if so, the details thereof and the reasons therefor; and

(c) the remedial measures proposed to be taken to remedy the situation?

Answer

MINISTER OF THE STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI)

(a) to (c): A statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (C) OF THE LOK SABHA STARRED QUESTION NO.516 FOR 10.05.2007 REGARDING CREATION OF EMPLOYMENT OPPORTUNITIES.

According to a study commissioned by the Ministry, consumption of processed food accounts for Rs.4,60,000 crores in 2003-04. During 1993-2000, the output addition in food manufacturing was Rs.90,000 crores. Food processing sector is employment intensive and creates 1.8 jobs directly and 6.4 jobs indirectly across the supply chain for every Rs.10 lakhs invested. According to Department of Industrial Policy and Promotion, in the case of large and medium scale industries, a total of 758 food processing units have been proposed during the period 2004 to 2006, generating around 78,360 jobs. According to Ministry of Small Scale Industries, employment in the food processing units in the SSI sector is estimated to be more than 36 lakhs. Food processing industry also has spin off by way of providing a market to agri produce which in turn provide higher income to farmers.

Vision 2015 on Food Processing Industries has been finalized by the Ministry of Food Processing Industries, which envisages cluster based and demand driven farming, achieving integration of food processing infrastructure from farm to market and promoting a dynamic food processing industry which could result in trebling the size of the processed food sector by increasing the level of processing of perishables from 6% to 20%, value addition from 20% to 35% and share in global food trade from 1.5% to 3% by 2015. Under the Vision 2015, the thrust areas identified for strategic intervention are establishing Mega Food Parks, Modernization of abattoirs, Cold-chain/value addition and preservation infrastructure, capacity building by setting up of National Institute of Food Technology, Entrepreneurship & Management (NIFTEM), enacting Food Safety and Standards Act, 2006, upgrading safety and quality of street food and establishment/upgradation of Quality Control Laboratories. Government has identified strategies along with a detailed action plan to realize the Vision 2015. An investment of about Rs.1 lakh crore is envisaged in the coming 10 years, of which 10% would be from the Government, 45% from Financial Institutions and Banks and 45% from FDI/private sector.

The realization of the Vision 2015 is expected to generate 1.8 million direct and 6.4 million indirect employment. In the farming sector, employment generation will cover landless labourers, small and marginal farmers, on farm extension services, cleaning, grading, packing, transportation sector, cold chain, input supply, industrial processing, storage, distribution centers and retail/marketing, logistics, etc. Besides, employment will also be generated in non-farm sectors such as marine, dairy, poultry and meat processing, etc.